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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/748,872	12/29/2003	Juci-Mei Wang		1397
25859	7590	11/30/2006	EXAMINER	
WEI TE CHUNG FOXCONN INTERNATIONAL, INC. 1650 MEMOREX DRIVE SANTA CLARA, CA 95050			NELSON, FREDA ANN	
			ART UNIT	PAPER NUMBER
			3628	

DATE MAILED: 11/30/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No.	Applicant(s)
	10/748,872	WANG, JUEI-MEI
	Examiner Freda A. Nelson	Art Unit 3628

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1) Responsive to communication(s) filed on 18 September 2006.
 2a) This action is FINAL. 2b) This action is non-final.
 3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4) Claim(s) 1-24 is/are pending in the application.
 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
 5) Claim(s) _____ is/are allowed.
 6) Claim(s) 1-24 is/are rejected.
 7) Claim(s) _____ is/are objected to.
 8) Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9) The specification is objected to by the Examiner.
 10) The drawing(s) filed on _____ is/are: a) accepted or b) objected to by the Examiner.
 Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
 Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
 11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
 a) All b) Some * c) None of:
 1. Certified copies of the priority documents have been received.
 2. Certified copies of the priority documents have been received in Application No. _____.
 3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) <input type="checkbox"/> Notice of References Cited (PTO-892)	4) <input type="checkbox"/> Interview Summary (PTO-413)
2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)	Paper No(s)/Mail Date. _____
3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) Paper No(s)/Mail Date _____	5) <input type="checkbox"/> Notice of Informal Patent Application
	6) <input type="checkbox"/> Other: _____

DETAILED ACTION

The amendment received on September 18, 2006 is acknowledged and entered.

Claims 11, 19, and 22 have been amended. No claims have been added. Claims 1-24 are currently pending.

Response to Amendments and Arguments

Applicant's arguments filed September 18, 2006 have been fully considered but they are not persuasive.

In response to applicant's arguments that Shimizu et al. do not disclose the function modules and sub-modules, the examiner asserts that claims directed to an apparatus must be distinguished from the prior art in terms of structure rather than function, *In re Danly* 263 F.2d 844, 847, 120 USPQ 582, 531 (CCPA 1959). A claim containing a "recitation with respect to the manner in which a claimed apparatus is intended to be employed does not differentiate the claimed apparatus from a prior art apparatus" if the prior art apparatus teaches all the structural limitations of the claim. *Ex parte Masham*, 2 USPQ2d 1657 (bd Pat. App. & Inter. 1987). Thus the structural limitations of claim 1 including a database server and a web server are disclosed in Shimizu et al. Also as described the limitations of the claim do not distinguish the claimed apparatus from the prior art.

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

Art Unit: 3628

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

1. Claims 11-18 and 22-24 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

As the Supreme Court held, Congress chose the expansive language of 35 U.S.C. § 101 so as to include “anything under the sun that is made by man.” *Diamond v. Chakrabarty*, 447 U.S. 303, 308-09, 206 USPQ 193, 197 (1980). In *Chakrabarty*, 447 U.S. at 308-309, 206 USPQ at 197, the court stated:

In choosing such expansive terms as “manufacture” and “composition of matter,” modified by the comprehensive “any,” Congress plainly contemplated that the patent laws would be given wide scope. The relevant legislative history also supports a broad construction. The Patent Act of 1793, authored by Thomas Jefferson, defined statutory subject matter as “any new and useful art, machine, manufacture, or composition of matter, or any new or useful improvement [thereof].” Act of Feb. 21, 1793, ch. 11, § 1, 1 Stat. 318. The Act embodied Jefferson’s philosophy that “ingenuity should receive a liberal encouragement.” *V Writings of Thomas Jefferson*, at 75-76. See *Graham v. John Deere Co.*, 383 U.S. 1, 7-10 (148 USPQ 459, 462-464) (1966). Subsequent patent statutes in 1836, 1870, and 1874 employed this same road language. In 1952, when the patent laws were recodified, Congress replaced the word “art” with “process,” but otherwise left Jefferson’s language intact. The Committee Reports accompanying the 1952 Act inform us that Congress intended statutory subject matter to “include anything under the sun that is made by man.” S. Rep. No. 1979, 82d Cong., 2d Sess., 5 (1952); H.R. Rep. No. 1923, 82d Cong., 2d Sess., 6 (1952). [Footnote omitted]

This perspective has been embraced by the Federal Circuit:

The plain and unambiguous meaning of section 101 is that any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may be patented if it meets the requirements for patentability set forth in Title 35, such as those found in sections 102, 103,

and 112. The use of the expansive term "any" in section 101 represents Congress's intent not to place any restrictions on the subject matter for which a patent may be obtained beyond those specifically recited in section 101 and the other parts of Title 35.... Thus, it is improper to read into section 101 limitations as to the subject matter that may be patented where the legislative history does not indicate that Congress clearly intended such limitations.

Alappat, 33 F.3d at 1542, 31 USPQ2d at 1556.

35 U.S.C. § 101 defines four categories of inventions that Congress deemed to be the appropriate subject matter of a patent: processes, machines, manufactures and compositions of matter.

Federal courts have held that 35 U.S.C. § 101 does have certain limits. First, the phrase "anything under the sun that is made by man" is limited by the text of 35 U.S.C. § 101, meaning that one may only patent something that is a machine, manufacture, composition of matter or a process. See, e.g., Alappat, 33 F.3d at 1542, 31 USPQ2d at 1556; In re Warmerdam, 33 F.3d 1354, 1358, 31 USPQ2d 1754, 1757 (Fed. Cir. 1994). Second, 35 U.S.C. § 101 requires that the subject matter sought to be patented be a "useful" invention. Accordingly, a complete definition of the scope of 35 U.S.C. § 101, reflecting Congressional intent, is that any new and useful process, machine, manufacture or composition of matter under the sun that is made by man is the proper subject matter of a patent.

The subject matter courts have found to be outside of, or exceptions to, the four statutory categories of invention is limited to abstract ideas, laws of nature and natural phenomena. These three exclusions recognize that subject matter that is not a practical application or use of an idea, a law of nature or a natural phenomenon is not patentable. See, e.g., *Rubber-Tip Pencil Co. v. Howard*, 87 U.S. (20 Wall.) 498, 507 (1874) ("idea of

itself is not patentable, but a new device by which it may be made practically useful is"); Mackay Radio & Telegraph Co. v. Radio Corp. of America, 306 U.S. 86, 94, 40 USPQ 199, 202 (1939) ("While a scientific truth, or the mathematical expression of it, is not patentable invention, a novel and useful structure created with the aid of knowledge of scientific truth may be."); Warmerdam, 33 F.3d at 1360, 31 USPQ2d at 1759 ("steps of 'locating' a medial axis, and 'creating' a bubble hierarchy . . . describe nothing more than the manipulation of basic mathematical constructs, the paradigmatic 'abstract idea'").

The courts have also held that a claim may not preempt ideas, laws of nature or natural phenomena. The concern over preemption was expressed as early as 1852. See Le Roy v. Tatham, 55 U.S. (14 How.) 156, 175 (1852) ("A principle, in the abstract, is a fundamental truth; an original cause; a motive; these cannot be patented, as no one can claim in either of them an exclusive right."); Funk Bros. Seed Co. v. Kalo Inoculant Co., 333 U.S. 127, 132, 76 USPQ 280, 282 (1948) (combination of six species of bacteria held to be nonstatutory subject matter). Accordingly, one may not patent every "substantial practical application" of an idea, law of nature or natural phenomena because such a patent "in practical effect be a patent on the [idea, law of nature or natural phenomena] itself." Gottschalk v. Benson, 409 U.S. 63, 71-72, 175 USPQ 673, 676 (1972).

A claim that requires one or more acts to be performed defines a process. The applicant's invention is directed to a method or a process and thus falls within an enumerated statutory class.

However, not all processes are statutory under 35 USC Section 101. To be statutory, a claimed process must either: (A) result in a physical transformation which a practical application is either disclosed in the specification or would have been known to a skilled artisan, or (B) be limited to a practical application which produces a useful, tangible, and concrete result. See *Diehr*, 450 U.S. at 183-84, 209 USPQ at 6.

Upon making the determination that the invention is a method or process that falls within an enumerated statutory class, the Examiner must now determine whether the claimed invention falls within one of the Section 101 judicial exceptions, i.e., is the invention directed to laws of nature, natural phenomena or an abstract idea. Moreover, in evaluating whether the claims meet the requirements of section 101, the Supreme Court requires the Examiner to consider the claims as a whole to determine whether the invention is for a particular application of an abstract idea, rather than an abstract idea itself.

Exceptions: Laws of nature, natural Phenomena and Abstract Ideas:

Inventions directed to nothing more than abstract ideas (such as mathematical algorithms), natural phenomena, and laws of nature are not eligible and therefore are excluded from patent protection. *Diehr*, 450 U.S. at 185, 209 USPQ at 7; accord, e.g., *Chakrabarty*, 447 U.S. at 309, 206 USPQ at 197; *Parker v. Flook*, 437 U.S. 584, 589, 198 USPQ 193, 197 (1978); *Benson*, 409 U.S. at 67-68 , 175 USPQ at 675; *Funk*, 333 U.S. at 130, 76 USPQ at 281. "A principle, in the abstract, is a fundamental truth; an original cause; a motive; these cannot be patented, as no one can claim in either of

them an exclusive right." Le Roy, 55 U.S. (14 How.) at 175. Instead, such "manifestations of laws of nature" are "part of the storehouse of knowledge," "free to all men and reserved exclusively to none." Funk, 333 U.S. at 130, 76 USPQ at 281.

Thus, "a new mineral discovered in the earth or a new plant found in the wild is not patentable subject matter" under Section 101. Chakrabarty, 447 U.S. at 309, 206 USPQ at 197. "Likewise, Einstein could not patent his celebrated law that $E=mc^2$; nor could Newton have patented the law of gravity." Ibid. Nor can one patent "a novel and useful mathematical formula," Flook, 437 U.S. at 585, 198 USPQ at 195; electromagnetism or steam power, O'Reilly v. Morse, 56 U.S. (15 How.) 62, 113-114 (1853); or "[t]he qualities of * * * bacteria, * * * the heat of the sun, electricity, or the qualities of metals," Funk, 333 U.S. at 130, 76 USPQ at 281; see Le Roy, 55 U.S. (14 How.) at 175.

While abstract ideas, natural phenomena, and laws of nature are not eligible for patenting, methods and products employing abstract ideas, natural phenomena, and laws of nature to perform a real-world function may well be. In evaluating whether a claim meets the requirements of section 101, the claim must be considered as a whole to determine whether it is for a particular application of an abstract idea, natural phenomenon, or law of nature, rather than for the abstract idea, natural phenomenon, or law of nature itself.

Determine Whether the Claimed Invention Covers Either a § 101 Judicial Exception or a Practical Application of a § 101 Judicial Exception

The Examiner must ascertain the scope of the claim to determine whether it covers either a § 101 judicial exception or a practical application of a § 101 judicial exception. The conclusion that a particular claim includes a § 101 judicial exception does not end the inquiry because “[i]t is now commonplace that an application of a law of nature or mathematical formula to a known structure or process may well be deserving of patent protection.” Diehr, 450 U.S. at 187, 209 USPQ at 8 (emphasis in original); accord Flook, 437 U.S. at 590, 198 USPQ at 197; Benson, 409 U.S. at 67, 175 USPQ at 675. Thus, “[w]hile a scientific truth, or the mathematical expression of it, is not a patentable invention, a novel and useful structure created with the aid of knowledge of scientific truth may be.” Diehr, 450 U.S. at 188, 209 USPQ at 8-9 (quoting Mackay, 306 U.S. at 94); see also Corning v. Burden, 56 U.S. (15 How.) 252, 268, 14 L.Ed. 683 (1854)(“It is for the discovery or invention of some practical method or means of producing a beneficial result or effect, that a patent is granted . . .”).

In light of the specification, it appears that the applicant is directing the invention to a method for integration of actual product costs in order to calculate actual product costs of a product. Assuming this is correct, the Examiner asserts that the applicant’s invention is directed to an abstract idea. The Examiner now must determine if the applicant’s invention is a particular application of an abstract idea.

Determine Whether the Claimed Invention is a Practical Application of an Abstract Idea, Law of Nature, or Natural Phenomenon (§ 101 Judicial Exceptions)

For claims including such excluded subject matter to be eligible, the claim must be for a practical application of the abstract idea, law of nature, or natural phenomenon. Diehr, 450 U.S. at 187, 209 USPQ at 8 (“application of a law of nature or mathematical formula to a known structure or process may well be deserving of patent protection.”); Benson, 409 U.S. at 71, 175 USPQ at 676 (rejecting formula claim because it “has no substantial practical application”).

To satisfy section 101 requirements, the claim must be for a practical application of the § 101 judicial exception, which can be identified in various ways:

- (a) The claimed invention “transforms” an article or physical object to a different state or thing.
- (b) The claimed invention otherwise produces a useful, concrete and tangible result, based on the factors discussed below.

a. Practical Application by Physical Transformation

The applicant’s invention does not transform an article or physical object to a different state or thing. Transferring goods allows the goods to remain in the same state, albeit allowing them to change physical locations.

b. Practical Application That Produces a Useful, Concrete, and Tangible Result

For eligibility analysis, physical transformation “is not an invariable requirement, but merely one example of how a mathematical algorithm [or law of nature] may bring about a useful application.” AT&T, 172 F.3d at 1358-59, 50 USPQ2d at 1452. Since the Examiner determined that the claims do not entail the transformation of an article, the

Examiner must review the claim to determine if the claim provides a practical application that produces a useful, tangible and concrete result. In determining whether the claim is for a “practical application,” the focus is not on whether the steps taken to achieve a particular result are useful, tangible and concrete, but rather that the final result achieved by the claimed invention is “useful, tangible and concrete.” The claim must be examined to see if it includes anything more than a § 101 judicial exception. If the claim is directed to a practical application of the § 101 judicial exception producing a result tied to the physical world that does not preempt the judicial exception, then the claim meets the statutory requirement of 35 U.S.C. § 101. If the examiner does not find such a practical application, the examiner has determined that the claim is nonstatutory. In determining whether a claim provides a practical application that produces a useful, tangible, and concrete result, the examiner considers and weighs the following factors:

“USEFUL RESULT”

For an invention to be “useful” it must satisfy the utility requirement of section 101. The USPTO’s official interpretation of the utility requirement provides that the utility of an invention has to be (i) specific, (ii) substantial and (iii) credible. MPEP § 2107 and Fisher, 421 F.3d at ___, 76 USPQ2d at 1230 (citing the Utility Guidelines with approval for interpretation of “specific” and “substantial”).

The Examiner asserts that the applicant’s invention has a specific, substantial and credible result and thus produces a useful result.

“TANGIBLE RESULT”

The tangible requirement does not necessarily mean that a claim must either be tied to a particular machine or apparatus or must operate to change articles or materials to a different state or thing. However, the tangible requirement does require that the claim must recite more than a § 101 judicial exception, in that the process claim must set forth a practical application of that § 101 judicial exception to produce a real-world result. *Benson*, 409 U.S. at 71-72, 175 USPQ at 676-77 (invention ineligible because had “no substantial practical application.”). “[A]n application of a law of nature or mathematical formula to a ... process may well be deserving of patent protection.” *Diehr*, 450 U.S. at 187, 209 USPQ at 8 (emphasis added); see also *Corning*, 56 U.S. (15 How.) at 268, 14 L.Ed. 683 (“It is for the discovery or invention of some practical method or means of producing a beneficial result or effect, that a patent is granted . . .”). In other words, the opposite meaning of “tangible” is “abstract.”

The Examiner asserts that the method claim does not produce a real-world result, or beneficial effect and thus has no substantial application.

“CONCRETE RESULT”

Another consideration is whether the invention produces a “concrete” result. Usually, this question arises when a result cannot be assured. In other words, the process must have a result that can be substantially repeatable or the process must substantially produce the same result again. *In re Swartz*, 232 F.3d 862, 864, 56 USPQ2d 1703, 1704 (Fed. Cir. 2000) (where asserted result produced by the claimed

invention is “irreproducible” claim should be rejected under section 101). The opposite of “concrete” is unrepeatable or unpredictable. Resolving this question is dependent on the level of skill in the art.

The Examiner asserts that the applicant’s invention is repeatable or predictable.

Determine Whether the Claimed Invention Preempts an Abstract Idea, Law of Nature, or Natural Phenomenon (§ 101 Judicial Exceptions)

Even when a claim applies a mathematical formula, for example, as part of a seemingly patentable process, the examiner must ensure that it does not in reality “seek[] patent protection for that formula in the abstract.” Diehr, 450 U.S. at 191, 209 USPQ at 10. “Phenomena of nature, though just discovered, mental processes, abstract intellectual concepts are not patentable, as they are the basic tools of scientific and technological work.” Benson, 409 U.S. at 67, 175 USPQ at 675. One may not patent a process that comprises every “substantial practical application” of an abstract idea, because such a patent “in practical effect would be a patent on the [abstract idea] itself.” Benson, 409 U.S. at 71-72, 175 USPQ at 676; cf. Diehr, 450 U.S. at 187, 209 USPQ at 8 (stressing that the patent applicants in that case did “not seek to pre-empt the use of [an] equation,” but instead sought only to “foreclose from others the use of that equation in conjunction with all of the other steps in their claimed process”). “To hold otherwise would allow a competent draftsman to evade the recognized limitations on the type of subject matter eligible for patent protection.” Diehr, 450 U.S. at 192, 209 USPQ at 10. Thus, a claim that recites a computer that solely calculates a mathematical formula (see

Benson) or a computer disk that solely stores a mathematical formula is not directed to the type of subject matter eligible for patent protection.

The applicant's invention is effectively directed to an abstract concept.

Double Patenting

The nonstatutory double patenting rejection is based on a judicially created doctrine grounded in public policy (a policy reflected in the statute) so as to prevent the unjustified or improper timewise extension of the "right to exclude" granted by a patent and to prevent possible harassment by multiple assignees. A nonstatutory obviousness-type double patenting rejection is appropriate where the conflicting claims are not identical, but at least one examined application claim is not patentably distinct from the reference claim(s) because the examined application claim is either anticipated by, or would have been obvious over, the reference claim(s). See, e.g., *In re Berg*, 140 F.3d 1428, 46 USPQ2d 1226 (Fed. Cir. 1998); *In re Goodman*, 11 F.3d 1046, 29 USPQ2d 2010 (Fed. Cir. 1993); *In re Longi*, 759 F.2d 887, 225 USPQ 645 (Fed. Cir. 1985); *In re Van Ornum*, 686 F.2d 937, 214 USPQ 761 (CCPA 1982); *In re Vogel*, 422 F.2d 438, 164 USPQ 619 (CCPA 1970); and *In re Thorington*, 418 F.2d 528, 163 USPQ 644 (CCPA 1969).

A timely filed terminal disclaimer in compliance with 37 CFR 1.321(c) or 1.321(d) may be used to overcome an actual or provisional rejection based on a nonstatutory double patenting ground provided the conflicting application or patent either is shown to be commonly owned with this application, or claims an invention made as a result of activities undertaken within the scope of a joint research agreement.

Effective January 1, 1994, a registered attorney or agent of record may sign a terminal disclaimer. A terminal disclaimer signed by the assignee must fully comply with 37 CFR 3.73(b).

Claims 1 and 11-17 are provisionally rejected on the ground of nonstatutory double patenting over claim 1 and 9-18 of copending Application No. 10/744,414. This is a provisional double patenting rejection since the conflicting claims have not yet been patented.

The subject matter claimed in the instant application is fully disclosed in the referenced copending application and would be covered by any patent granted on that copending application since the referenced copending application and the instant application are claiming common subject matter, as follows:

Claim 1 of US PG Pub. 10/744,414, discloses that database server comprises a database for storing cost variable definition data, operation center definition data, manufacturing expenses data, purchase data, inventory data and consumed material data, said cost variable definition data comprising cost variance (hereinafter "variance") related data including a cost variable code field, a cost variable name field, a cost variable unit field and other fields, said operation center definition data comprising data on cost variables and work centers of each of operation centers, said manufacturing expenses data comprising expenses of each of manufacturing expenses accounts, said purchase data comprising purchase date, material number, material name, purchase quantity, purchase unit price, purchase expenses, said inventory data comprising current period inventory data and initial inventory data, said consumed material data comprising product name, product number, current period produced quantity, and all consumed materials' numbers, names and quantities;

and the web server comprises:

a value-added costs integration module for calculating value-added costs of a product, the value-added costs integration module comprising:

a cost group file creation sub-module for defining cost groups, manufacturing expenses accounts and cost variables in each cost group, and for calculating the

manufacturing expenses of each cost group based on the manufacturing expenses data and the cost variable definition data;

an operation center variance calculation sub-module for calculating the sum of all the operation centers' variances and each product's variance for each operation center, based on the operation center definition data and the work time data on work orders;

a cost group apportionment sub-module for specifying a ratio of each cost group's manufacturing expenses apportioned to each operation center; and

a value-added costs calculation sub-module for calculating each operation center's total costs, each cost group's manufacturing costs corresponding to the operation center, and the operation center's apportioned variance;

a material costs integration module for calculating material costs of a product, the material costs integration module comprising:

a current period purchase costs calculation sub-module for calculating purchase expenses apportioned to each of units of a material and current period purchase costs of a unit of the material based on purchase data of the material;

a historical purchase costs calculation sub-module for calculating historical purchase costs of a unit of the material based on the inventory data and the current period purchase costs;

a material costs calculation sub-module for calculating costs of each material consumed in a product based on the quantity of the consumed material, historical purchase costs of a unit of the material and the produced quantity of the product, and

for calculating the material costs of the product based on the costs of each material consumed in the product; and

an actual costs integration module for calculating actual costs of the product by summing up the value-added costs and the material costs of the product:

and claims 9-18 of US PG Pub. 10/744,414 discloses calculating actual costs of a product, comprising:

defining cost variables, codes and other related data for generating cost variable definition data;

defining work centers in each of operation centers and determining cost variables of each product in order to generate operation center definition data;

obtaining manufacturing expenses information and saving the information as manufacturing expenses data;

defining cost groups, and manufacturing expenses accounts and cost variables in each cost group based on the cost variable definition data and manufacturing expenses definition data, and calculating manufacturing expenses of each cost group;

obtaining work time data on work orders, summing up all the work time on work orders of each work center in each operation center, and calculating an operation center total variance and product variances of each operation center;

defining an apportioned variance to be apportioned to each operation center from the cost group' s manufacturing expenses; and

calculating the value-added costs of each product based on the manufacturing expenses of each cost group, the apportioned variance of each operation center, the operation center total variance of each operation center, and a product variance of that product.

Furthermore, there is no apparent reason why applicant would be prevented from presenting claims corresponding to those of the instant application in the other copending application. See *In re Schneller*, 397 F.2d 350, 158 USPQ 210 (CCPA 1968). See also MPEP § 804.

Claims 1 and 11-17 are provisionally rejected on the ground of nonstatutory obviousness-type double patenting as being unpatentable over claims 1 and 9-18 of copending Application No. 10/744,414.

This is a provisional obviousness-type double patenting rejection.

Claim Rejections - 35 USC § 102

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

Claims 1-10 and 19-21 are rejected under 35 U.S.C. 102(e) as being anticipated by Shimizu et al. (US PG Pub. 2003/0037014).

As for claims 1-10 and 19-21, Shimizu et al. disclose the database server (paragraph [0103], [0513]); and a web server (paragraph [0103], [0513]).

Simizu et al. do not expressly disclose that the database server comprises a database for storing cost variable definition data, operation center definition data, manufacturing expenses data, purchase data, inventory data and consumed material data, said cost variable definition data comprising cost variance (hereinafter "variance") related data including a cost variable code field, a cost variable name field, a cost variable unit field and other fields, said operation center definition data comprising data on cost variables and work centers of each of operation centers, said manufacturing expenses data comprising expenses of each of manufacturing expenses accounts, said purchase data comprising purchase date, material number, material name, purchase quantity, purchase unit price, purchase expenses, said inventory data comprising current period inventory data and initial inventory data, said consumed material data comprising product name, product number, current period produced quantity, and all consumed materials' numbers, names and quantities; and the web server comprises: a value-added costs integration module for calculating value-added costs of a product, the value-added costs integration module comprising:

a cost group file creation sub-module for defining cost groups, manufacturing expenses accounts and cost variables in each cost group, and for calculating the manufacturing expenses of each cost group based on the manufacturing expenses data and the cost variable definition data;

an operation center variance calculation sub-module for calculating the sum of all the operation centers' variances and each product's variance for each operation center, based on the operation center definition data and the work time data on work orders;

a cost group apportionment sub-module for specifying a ratio of each cost group's manufacturing expenses apportioned to each operation center; and

a value-added costs calculation sub-module for calculating each operation center's total costs, each cost group's manufacturing costs corresponding to the operation center, and the operation center's apportioned variance;

a material costs integration module for calculating material costs of a product, the material costs integration module comprising:

a current period purchase costs calculation sub-module for calculating purchase expenses apportioned to each of units of a material and current period purchase costs of a unit of the material based on purchase data of the material;

a historical purchase costs calculation sub-module for calculating historical purchase costs of a unit of the material based on the inventory data and the current period purchase costs;

a material costs calculation sub-module for calculating costs of each material consumed in a product based on the quantity of the consumed material, historical purchase costs of a unit of the material and the produced quantity of the product, and for calculating the material costs of the product based on the costs of each material consumed in the product; and

an actual costs integration module for calculating actual costs of the product by summing up the value-added costs and the material costs of the product, however, however claims directed to an apparatus must be distinguished from the prior art in terms of structure rather than function, *In re Danly* 263 F.2d 844, 847, 120 USPQ 582, 531 (CCPA 1959). A claim containing a "recitation with respect to the manner in which a claimed apparatus is intended to be employed does not differentiate the claimed apparatus from a prior art apparatus" if the prior art apparatus teaches all the structural limitations of the claim. *Ex parte Masham*, 2 USPQ2d 1657 (bd Pat. App. & Inter. 1987). Thus the structural limitations of claim 1 including a database server and a web server are disclosed in Shimizu et al. Also as described the limitations of the claim do not distinguish the claimed apparatus from the prior art.

Conclusion

THIS ACTION IS MADE FINAL. Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of

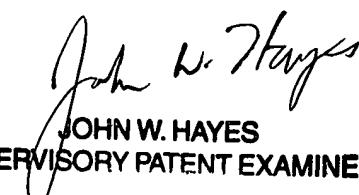
the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

5. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Freda A. Nelson whose telephone number is (571) 272-7076. The examiner can normally be reached on Monday - Friday.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, John Hayes can be reached on 571-272-6708. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

FAN 11/27/06



JOHN W. HAYES
SUPERVISORY PATENT EXAMINER